



**ASX Code: SVY**

**Issued Shares: 157M**

**Cash Balance: \$0.76M**

**ABN 33 119 826 907**

## Directors

Chris Cairns

Jennifer Murphy

Peter Ironside

Amanda Sparks

## Head Office

Level 1

168 Stirling Highway

Nedlands

Western Australia 6009

T: +61 (8) 9287 7630

E: [info@stavely.com.au](mailto:info@stavely.com.au)

W: [stavely.com.au](http://stavely.com.au)



## HIGHLIGHTS

### Exploration

#### Thursday's Gossan Copper-Gold Prospect (Stavely Project, Western Victoria)

- SMD044 returned both the largest and highest-grade intervals to date, with multiple zones of well-developed copper-gold mineralisation encountered, including:
  - ❖ From 11m to 963m, a very large, low-grade interval of **952m at 0.23% Cu**, including higher-grade intervals on the Copper Lode Splay (CLS) structure:
    - **70m at 0.51% Cu** from 580m, including:
      - **41m at 0.78% Cu**, including:
        - **10m at 2.43% Cu, 0.30g/t Au and 11g/t Ag**, including:
          - **1m at 8.97% Cu, 1.13g/t Au and 36g/t Ag**
    - ❖ And, on the North-South Structure (NSS):
      - **38.3m at 1.59% Cu, 0.27g/t Au and 8g/t Ag** from 890m, including:
        - **6m at 2.75% Cu, 0.25g/t Au and 7g/t Ag**; and
        - **12.3m at 2.59% Cu, 0.44g/t Au and 18g/t Ag**, including:
          - **6.3m at 3.93% Cu, 0.67g/t Au and 27g/t Ag**
  - These structurally-controlled zones of high-grade copper-gold-silver mineralisation are now recognised as copper lode-style mineralisation similar to that at the Magma Mine in Arizona, USA which are closely associated with the Resolution porphyry copper deposit (Inferred Resource of 1.8Bt at 1.53% copper – RTZ, 2018).
  - SMD044W1 has provided important information on the spatial location and orientation of these mineralised structures, allowing refinement of the design of SMD045, collared some 100m to the south of SMD044, which marks another progressive step into the structural convergence zone.
  - Results for SMD044W1 have eclipsed the previous highest-grade intervals with a broad interval from 546-939m of **393m at 0.32% Cu**, including:
    - ❖ On the North-South Structure (NSS) from 848m:
      - **18m at 3.62% Cu, 0.28g/t Au and 15g/t Ag**, including:
        - **7m at 7.74% Cu, 0.46g/t Au and 32g/t Ag**, including:
          - **2m at 15.7% Cu, 1.07g/t Au and 65g/t Ag**

#### Mathinna Gold Project, Tasmania

- Stavely Tasmania Pty Ltd was granted priority application rights to exploration licence 4/2019 (ERA1118), a 68 km<sup>2</sup> area surrounding the Mathinna EL 19/2018 collectively covering all of the high-grade Mathinna Goldfield - with official records of historical production of 289,000oz at an average grade of 26g/t gold from the New Golden Gate Mine<sup>1</sup>.

<sup>1</sup> Tasmania Department of Mines – Report 1992/10, *Northeast Goldfields: A Summary of the Tower Hill, Mathinna and Dans Rivulet Goldfields*, Taheri and Findlay, 1992

## Corporate

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- \$0.76M cash on hand as at 31 March 2019.
- Stavely Minerals, through its 100%-owned subsidiary Stavely Tasmania Operations Pty Ltd, has agreed to purchase a 100% beneficial interest from BCD Resources NL in the assets of the 350,000tpa capacity Beaconsfield gold processing plant and associated infrastructure, property, rights, leases and permits.
- Subsequent to the end of Quarter, Stavely Minerals announced a \$4.2M Capital Raising with key points:
  - \$3.2M institution and sophisticated share placement at 26c.
  - SPP launched to raise up to \$1M to allow existing shareholders to participate.
  - Titeline Drilling to be issued with 7.7M shares at 26c as advanced payment for \$2M of drilling services over the next 12 months.
  - Funds to be used to maintain a strong exploration momentum across key East Coast projects including the Thursday's Gossan Porphyry Project, to complete the acquisition of the Beaconsfield gold processing facility (as announced on 22 March 2019) and for working capital purposes.

## OVERVIEW

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During the March Quarter, Stavely Minerals' continued drilling at the Thursday's Gossan porphyry target at the Stavely Project in western Victoria (Figure 1). The holes drilled during the Quarter (SMD043, SMD044 & SMD044W1) at Thursday's Gossan were targeting a large gap in the drilling to the south of and at depth below previous drill hole SMD032. Drill holes SMD033 and SMD034, intended to test this area, both failed at shallow depths in broken ground and were abandoned. SMD043 and now SMD044 are testing a similar space but the drill rig has been turned around 180 degrees to drill from the opposite direction in better ground conditions.

There is reasonable evidence to suggest that the mineralised QDP and micro-diorite porphyry intrusions are plunging to the south and SMD044 was designed to intersect these intrusions on the east side/below the NSS at depth. While the geometries are difficult to explain by written description, the new interpreted block model best illustrates the spatial relationships and structural movements (Figure 4).

Drill hole SMD044 returned a very large, low-grade interval of **952m at 0.23% copper** from 11m to 963m. The drill hole intersected multiple zones of high-grade copper-gold mineralisation including **10m at 2.43% copper and 0.30g/t gold** from the Copper Lode Splay (CLS) structure and **38.3m at 1.59% copper and 0.27g/t gold** from the North-South Structure (NSS).

These two structures, both hosting high-grade copper-gold mineralisation, are predicted to converge south of where SMD044 was drilled and, as noted in other porphyry districts globally, this intersection is now the obvious location to host a well-mineralised copper-gold porphyry.

A wedge hole (SMD044W1) off drill hole SMD044 was completed to provide further important geological information to assist in vectoring into the causative porphyry system.

The results from SMD044W1 include another broad intercept of moderate-grade copper mineralisation of **393 metres at 0.32% copper**. Included in these results are the **highest-grade intercepts over meaningful widths to date** with **18m at 3.62% copper, 0.28g/t gold and 15g/t silver including 2m at 15.7% copper, 1.07g/t gold and 65g/t silver** on the NSS.

Dr Greg Corbett, a respected porphyry expert, visited the Thursday's Gossan site during the Quarter to examine SMD044 (report is available at [www.stavely.com.au](http://www.stavely.com.au) under Technical Data).

Dr Greg Corbett's report highlights 3 exploration targets:

1. Target A – with an 'A' priority target ranking - being a porphyry located at the intersection of the NSS (Dr Corbett refers to as the Thursday's Gossan Fault) and the CLS structure and responsible for the copper lode-style mineralisation
2. Target B – structurally-controlled copper lode-style mineralisation as intercepted in SMD044 – with an A/B priority ranking
3. Target C – a speculated porphyry in the core of the Victor zoned alteration system and was given an 'A' priority (Figure 7).

The convergence of the NSS and the CLS structure to the south of SMD044 is considered an ideal focus for a porphyry intrusion, as noted in other porphyry districts, and is the target of SMD045 which is currently in progress. While this drill hole location will not directly test target 'A' from Dr Corbett's report, Stavely Minerals is reluctant to step too far south given the structural complexity of the system and maintaining a desire to be able to confidently connect lithologic units, structures, alteration and mineralisation between holes without introducing too much uncertainty with a larger step-out.

Subsequent to the Quarter, a second drill rig was mobilising to site to test Dr Corbett's recommended Target 'C' in the centre of the 'Victor' porphyry target with its concentric-zoned alteration system.

In diamond drill hole MSD001 completed at the Mount Stavely prospect during the previous quarter, weakly anomalous copper results of up to 0.17% were returned from a zone between 374m to 410m where trace to 1% patchy chalcopyrite blebs and chalcopyrite, bornite and magnetite stringer veins are associated with a moderate to strong pervasive hematite+albite ± K-spar alteration assemblage.

During the Quarter, reconnaissance mapping and rock chipping conducted at the Ravenswood Project focused on the Titov, Smiths and Keans Reward prospects. A float sample from a creek in an area interpreted to be an extension to the ENE-trending quartz veins at the Titov porphyry prospect returned **14.75g/t gold, 21.6ppm silver and 4.36% lead**. A sample of quartz veins at Titov contained up to **2.03g/t gold and 8.44% copper**. Fractured quartz vein samples from Keans Reward prospect returned **1.4g/t gold and 1.01g/t gold with 24g/t silver, 0.73% copper and 0.43% lead**.

Subsequent to the Quarter, diamond drilling commenced at the Connolly North target in the Ravenswood Project. At Connolly North quartz veins in low-angle structures similar to those

seen in the Sarsfield open pit at the Ravenswood Gold Mine, ~15km away, returned gold results of up to **36.6 g/t gold**. The recently completed IP survey at Connolly North returned a +10mV/V chargeability anomaly.

During the Quarter, Stavelly Minerals Tasmania was granted priority application rights to exploration licence 4/2019 (ERA1118), which surrounds the Company's Mathinna exploration licence 19/2018. Both these licences are held in joint venture with Bestlevel Holdings Pty Ltd and cover an area 68 km<sup>2</sup> which includes all of the high-grade Mathinna Goldfield. The Mathinna Goldfield is reported to be 289,000oz with 254,000oz produced the Golden Gate Mine at an average grade of 26g/t gold<sup>2</sup>.

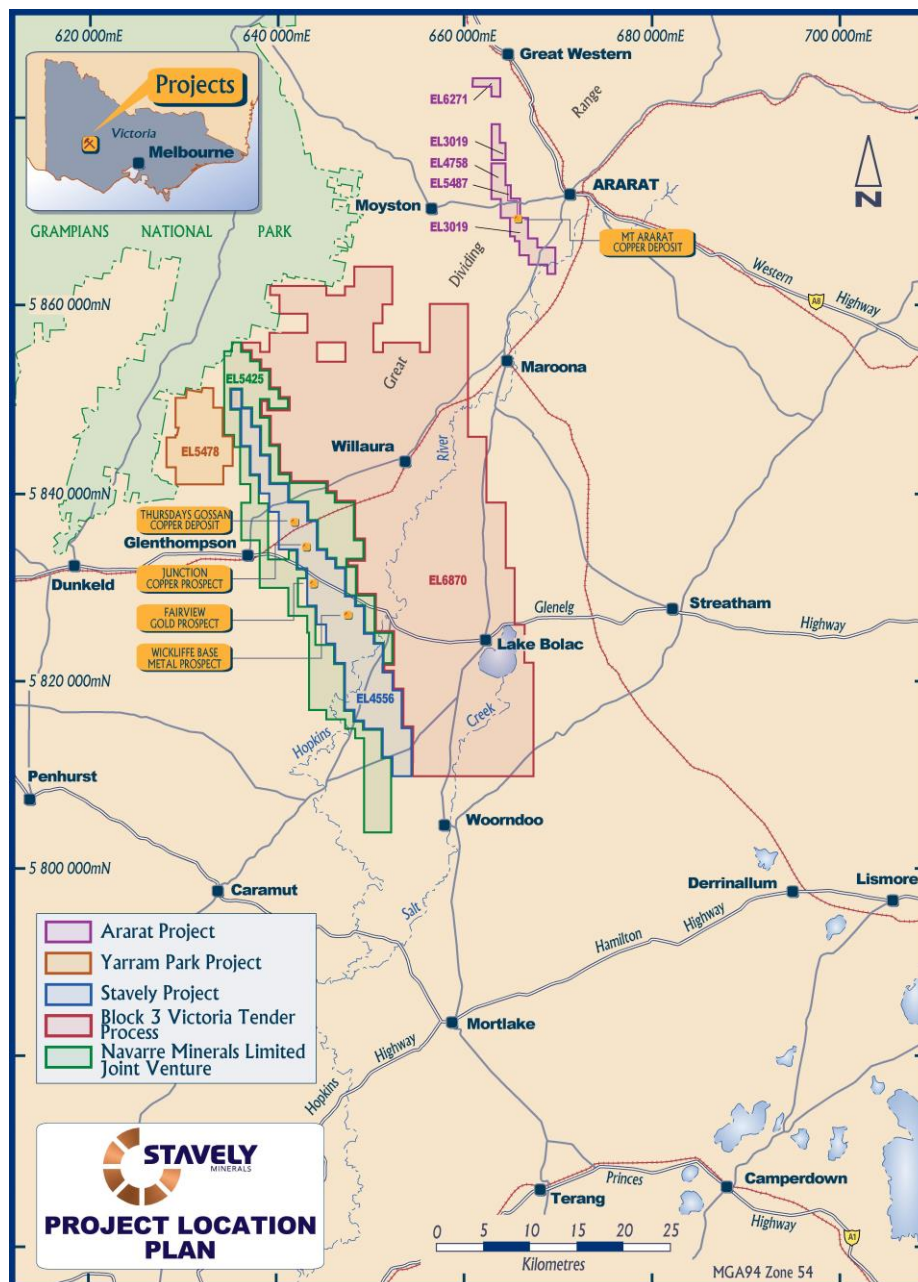


Figure 1. Western Victoria Project location plan.

<sup>2</sup> Tasmania Department of Mines – Report 1992/10, *Northeast Goldfields: A Summary of the Tower Hill, Mathinna and Dans Rivulet Goldfields*, Taheri and Findlay, 1992

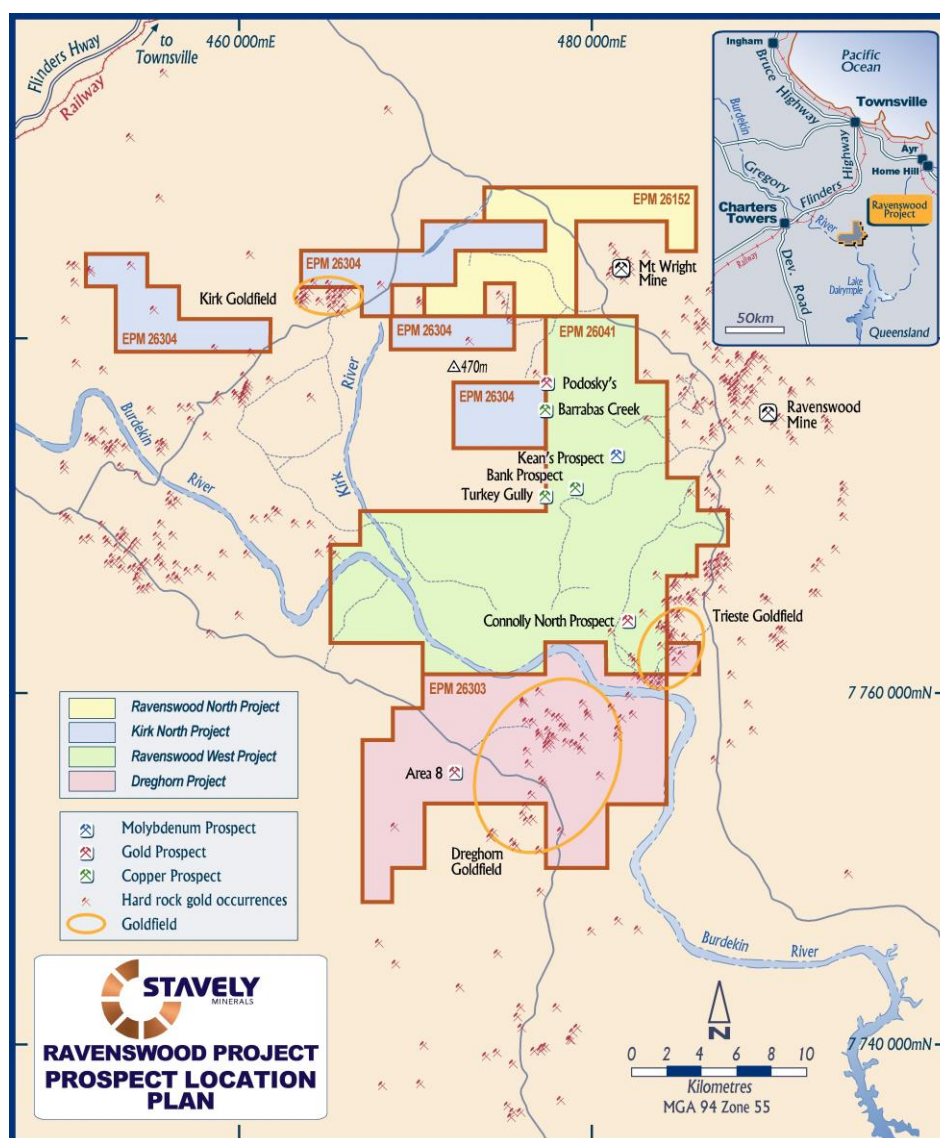


Figure 2. Ravenswood Project location plan.

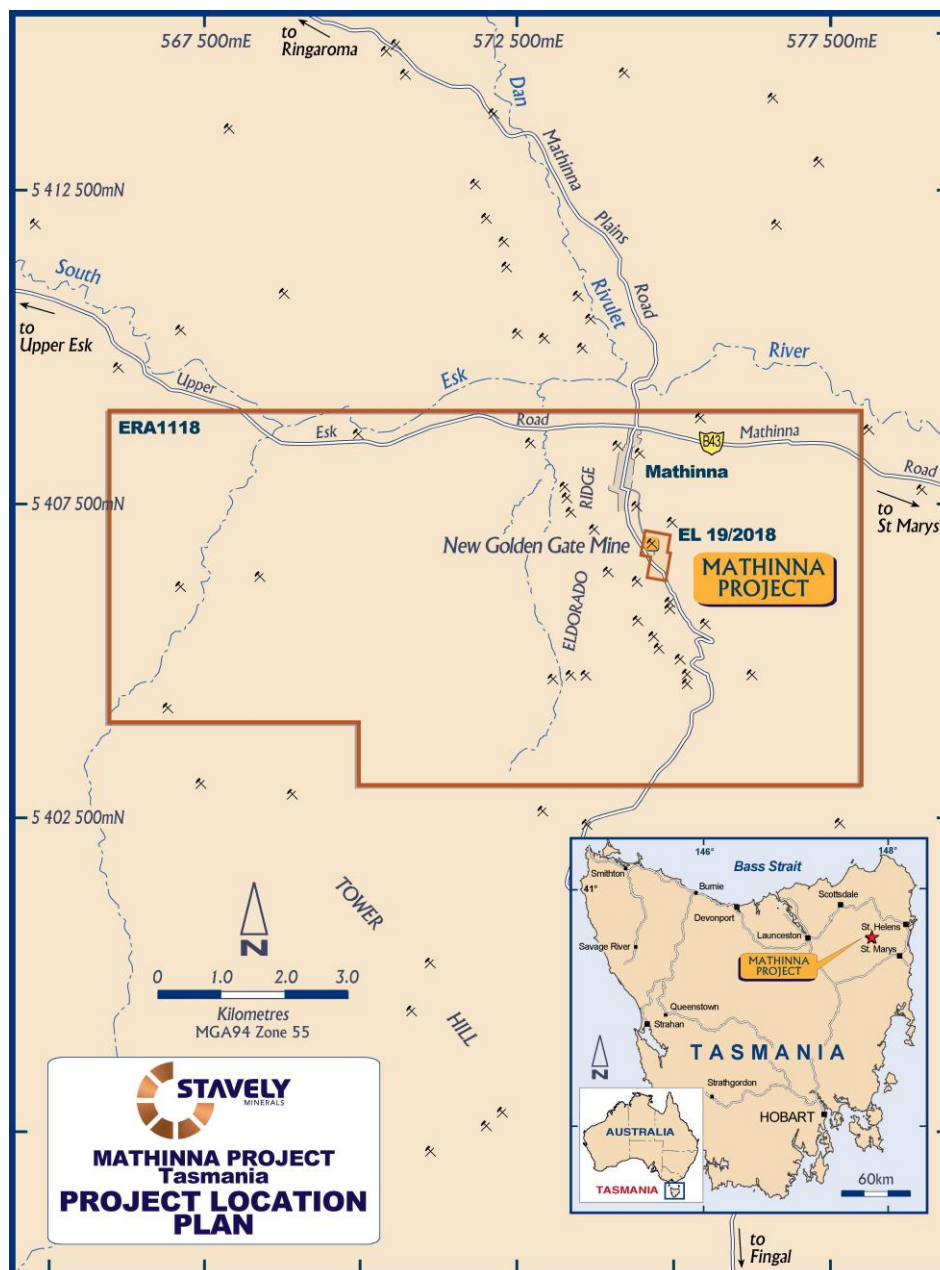


Figure 3. Mathinna Project location plan.

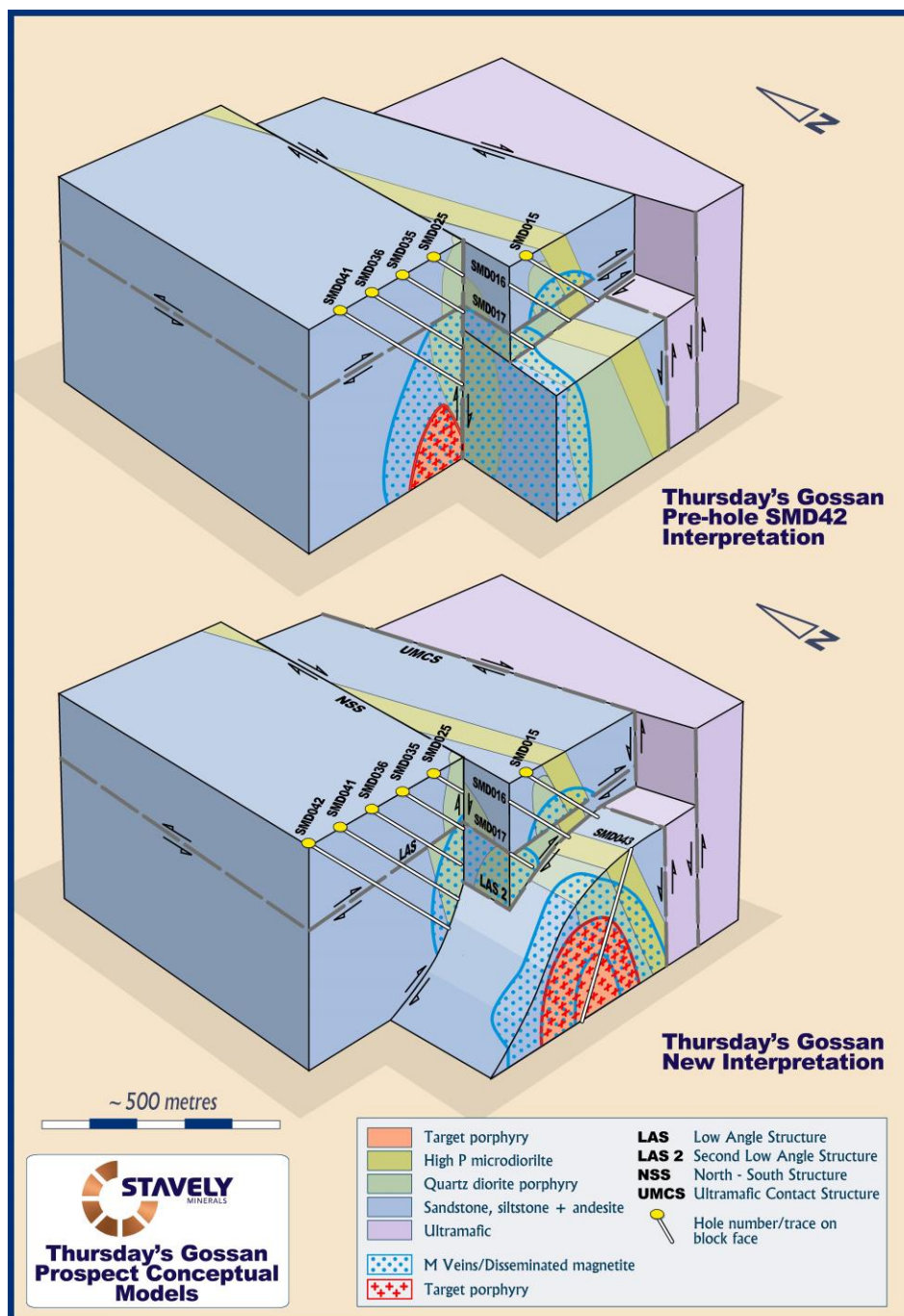


Figure 4. Thursday's Gossan prospect conceptual models.

## EXPLORATION

### Stavely Project (EL4556)

#### Thursday's Gossan Prospect

During the March Quarter, holes SMD043, SMD044 and SMD044W1 were completed at Thursday's Gossan for a total of 1,975.3m (Figures 5 and 6). Drilling of hole SMD045 at Thursday's Gossan commenced during the Quarter. Subsequent to the Quarter, hole SMD046 was collared to test the Victor porphyry to the south of the current drilling at Thursday's Gossan (Figure 7).

Drill hole SMD043 was positioned to test a large gap in the drilling at Thursday's Gossan to the south of and at depth below SMD032. Drill holes SMD033 and SMD034, intended to test this area, both failed at shallow depths in broken ground and were abandoned. SMD043 was planned to test a similar space but the drill rig was turned around 180 degrees to drill from the opposite direction in better ground conditions. On the east side of the NSS, SMD032 intersected the target quartz diorite porphyry but not the target porphyry M veins. On the contact with a dacite porphyry, the hole intersected a significant interval now recognised as copper lode-style copper-gold-silver mineralisation including (Figure 3):

- **63m at 0.84% copper and 0.11g/t gold from 517m, including:**
  - **6m at 6.73% copper, 0.84g/t gold and 15g/t silver from 538m, including**
    - **1m at 22.8% copper, 0.91g/t gold and 48g/t silver, and**
  - **2m at 2.43% copper, 0.28g/t gold and 4.9g/t silver from 551m**

Drill hole SMD043 commenced on 9 January and was terminated on 15 January due to excessive deviation and drill hole SMD044 was collared in a similar location with the dip and azimuth adjusted to allow for drill hole drift such that the drill hole adequately tests the target zone at depth.

Drill hole SMD044 which was completed to a depth of 1,184.9m, intersected broad intervals of low-grade copper mineralisation and more significant copper sulphide mineralisation from 584m to 697m down-hole in the CLS structure (see significant intercept table).

SMD044 returned a very large low-grade interval of **952m @ 0.23% copper** from 11m. Higher grade intervals on the CLS structure include:

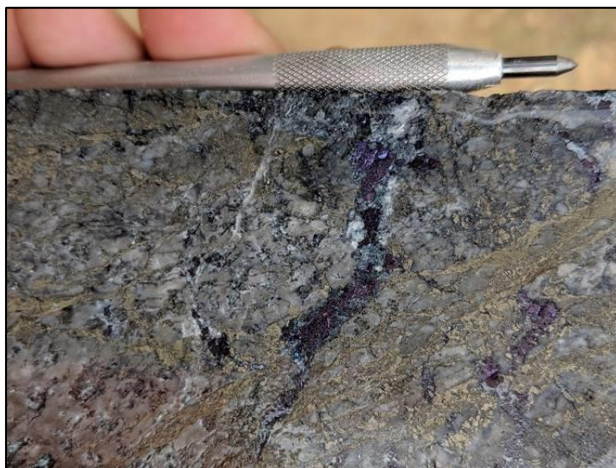
- **70m at 0.51% copper from 580m, including:**
  - **41m at 0.78% copper, including:**
    - **10m at 2.43% copper, 0.30g/t gold and 11g/t silver, including:**
      - **1m at 8.97% copper, 1.13g/t gold and 36g/t silver**

Also of note, is that the chalcopyrite/bornite mineralisation is associated with hematite, specular hematite, magnetite and anhydrite, which is clearly a hotter assemblage within the system.

Further well-developed bornite-chalcocite copper mineralisation was intersected from 890m to 928.3m down-hole, associated with the NSS (see significant intercept table).

The NSS returned assays of:

- **38.3m at 1.59% copper, 0.27g/t gold and 8g/t silver from 890m, including:**
  - 6m at 2.75% copper, 0.25g/t gold and 7g/t silver; and
  - 12.3m at 2.59% copper, 0.44g/t gold and 18g/t silver, including:
    - 6.3m at 3.93% copper, 0.67g/t gold and 27g/t silver



**Photo 1. Late bornite-chalcocite cutting earlier pyrite dominated porphyry D veins from 924m in SMD044.**

With the assistance of Dr Greg Corbett, the structurally-controlled copper-gold-silver mineralisation is now recognised as an early prograde event related to (at least) a second-phase, if not third-phase porphyry intrusion. Dr Corbett's recent report on SMD044 is available at [www.stavely.com.au](http://www.stavely.com.au). A multi-phase intrusive and mineralisation history is considered conducive to a well-mineralised copper-gold porphyry system. The causative porphyry intrusion, which should contain the hottest and best-developed mineralisation, has not yet been seen.

The analogy being applied is the relationship between the Magma Copper Mine structurally-controlled copper-lodes and the Resolution porphyry (1.8Bt at 1.53% copper – Rio Tinto, 2018), considered to be the source of the mineralising fluids being drawn away from the porphyry and migrating within dilatant structures. This copper lode-style of mineralisation is more proximal to the porphyry source than would be high sulphidation-style copper-gold mineralisation and provides very significant encouragement that the source porphyry is not far away. A brief report comparing the Magma / Resolution mineralisation and Thursday's Gossan is available at [www.stavely.com.au](http://www.stavely.com.au).

The two strongly copper mineralised structures – the NSS and the CLS structure are projected to converge in the vicinity beneath drill hole SMD029W1 which was potentially drilled over the target zone (Figure 5). In other porphyry districts in Chile and the Philippines, for example, the convergence of splay or 'horse tail' structures are commonly the focus for porphyry intrusions such as the giant Chuquicamata porphyry copper deposit.

Given the increase in intensity of mineralisation from drill hole SMD028 to SMD044, Stavely Minerals now considers that the porphyry intrusion may be located to the south of SMD044 and this area will be targeted by the next drill hole, SMD045.

SMD044 intercepted a very broad zone of copper mineralisation from near surface to near the end of assays received to date. It is considered unlikely that the drill hole orientation had any meaningful impact on the width of this intercept given the nature of the porphyry-related mineralisation and the fact that the drill hole traversed in excess of 500m laterally from collar to end-of-hole. Mineralisation was hosted in a number of pre-porphyry emplacement host units including the Glenthompson sandstone (and associated mudstones), the Fairview Andesite Breccia and minor tuff units of Cambrian age. Late Cambrian intrusive phases include the Victor suite of porphyries interpreted to be associated with a large, low-grade copper event with 3 clusters of Re/Os mineralisation ages of 510Ma, 505-503Ma and 500Ma. However, the quartz-diorite porphyry (QDP) and the high-P microdiorite (characterised by unusually high phosphorus +0.3% and titanium +1%) units have been dated at around 498Ma and 496Ma  $\pm$  8Ma and are considered younger than the Victor porphyries. The QDP unit is likely the intrusive responsible for the intense magnetite  $\pm$  quartz  $\pm$  actinolite  $\pm$  chalcopyrite veining seen in drill holes SMD015, 016, 017, 022, 023 and to a lesser degree in other drill holes.

It is considered likely that the high-grade structurally-controlled copper lode-style mineralisation observed in SMD012, STRC019D, SMD028, SMD032, SMD044 and SMD044W1 is emanating from yet a later phase of porphyry intrusion yet to be seen. Along strike in both the NSS and the CLS structure there is recognised a temporal and spatial zonation of copper sulphide species from early pyrite  $\rightarrow$  chalcopyrite  $\rightarrow$  bornite  $\rightarrow$  chalcocite  $\rightarrow$  tennantite-tetrahedrite indicating an evolution of the fluids in space and time as they migrate north from the inferred source porphyry. The multi-phase nature of the alteration / mineralisation system is well noted at Thursday's Gossan with retrograde phyllic alteration and late-D vein mineralisation from an early phase porphyry being overprinted by early prograde alteration and mineralisation of the next porphyry phase. At least 3-phases are now inferred, the early Victor phase, the intermediate QDP / high-P microdiorite phase and now a third phase responsible for the copper lode-style mineralisation. Evidence for this third phase includes:

1. Late porphyry pyrite-dominant D veins of one phase are cut by prograde bornite-chalcocite mineralisation from the next phase of porphyry (Photo 1), and
2. The second-phase high-P microdiorite is passively mineralised on its margins by the yet to be seen third-phase porphyry.

Drill hole SMD044W1 was wedged off SMD044 at 536m to target the mineralised zones intersected in SMD044 at 585m and 890m to assist with determining the orientation of these two zones. SMD044W1 was drilled to a depth of 1,008.4m and has provided important information on the special location and orientation of the mineralised structures, allowing refinement of the design of SMD045.

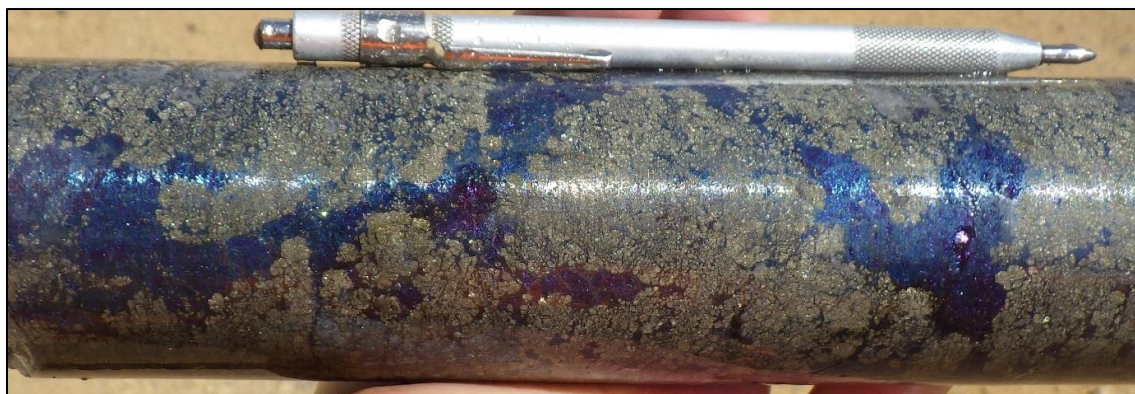
SMD044W1 deviated from SMD044 in a direction up and to the north in the direction of drill rod rotation.

Consequently, the wedge hole was drilling away from the zone to the south of the area to be targeted by SMD045. The mineralised intervals reported in SMD044 appear to have been intersected earlier in the wedge SMD044W1, which is consistent with the structural geometries (Figure 8).

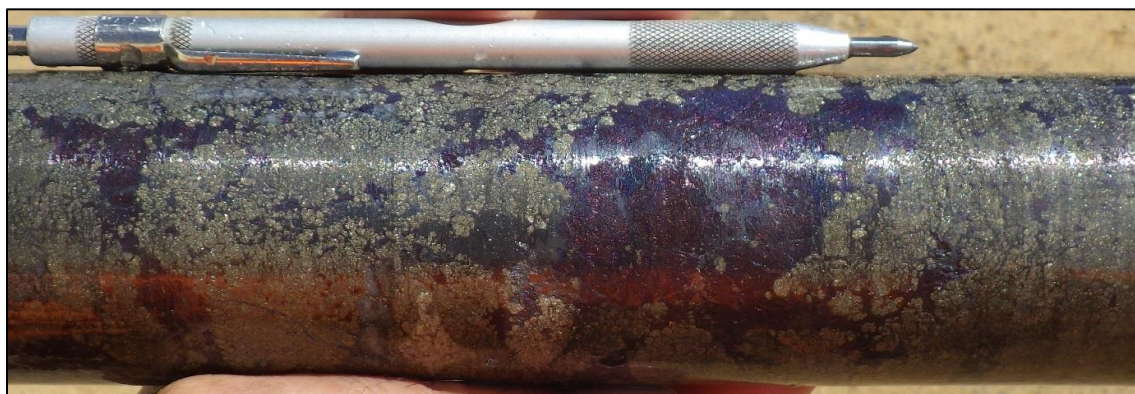
Diamond drill hole SMD044W1 intersected broad intervals of moderate-grade copper mineralisation with **393m at 0.32% copper** from 546m drill depth.

Further, well-developed bornite-covellite-chalcocite copper mineralisation (Photos 2 & 3) was intersected from 848m to 866m down-hole, associated with the NSS including:

- **18m at 3.62% copper, 0.28g/t gold and 15g/t silver**, including:
  - **7m at 7.74% copper, 0.46g/t gold and 32g/t silver**, including:
    - **2m at 15.7% copper, 1.07g/t gold and 65g/t silver**



**Photo 2. Pyrite vein with bornite-covellite-chalcocite(+digenite) veining at 859.0m in SMD044W1.**



**Photo 3. Chalcocite(+digenite)-bornite-covellite veining at 859.0m in SMD044W1**  
(This photo is of the other side of the core in the previous photo).

Hole SMD045 was drilled approximately 100m to the south of SMD044, from the west to east to target the transition from lode mineralisation to porphyry style mineralisation at the intersection of the NSS and CLS structure.

Hole SMD046, which commenced subsequent to the Quarter, is being drilled east to west to test the speculated porphyry in the core of the Victor zoned alteration system. This target 'C' (Figure 7) was given an 'A' priority by Dr Greg Corbett in his recent report. Previous explorer, Newcrest attempted to test target 'C' with three vertical drill holes, VSTD004, 006 and 006W. VSTD004 failed at 138.5m, VSTD006 failed at 297.5m and VSTD006W failed at 324m. None of these drill holes penetrated beyond the base of intense argillic alteration (kaolinite / dickite) while abundant porphyry B quartz vein relicts remain in the drill core, all metals appear to have been stripped during the intense argillic alteration. It is possible that a large quantity of metal was stripped and remobilised during this process and was potentially reprecipitated over primary mineralisation at depth.

During the Quarter, assay results were received for drill holes SMD021, SMD030, SMD034, SMD037, SMD039 and SMD042. Any significant results are presented in the significant intercept table at the end of the report.

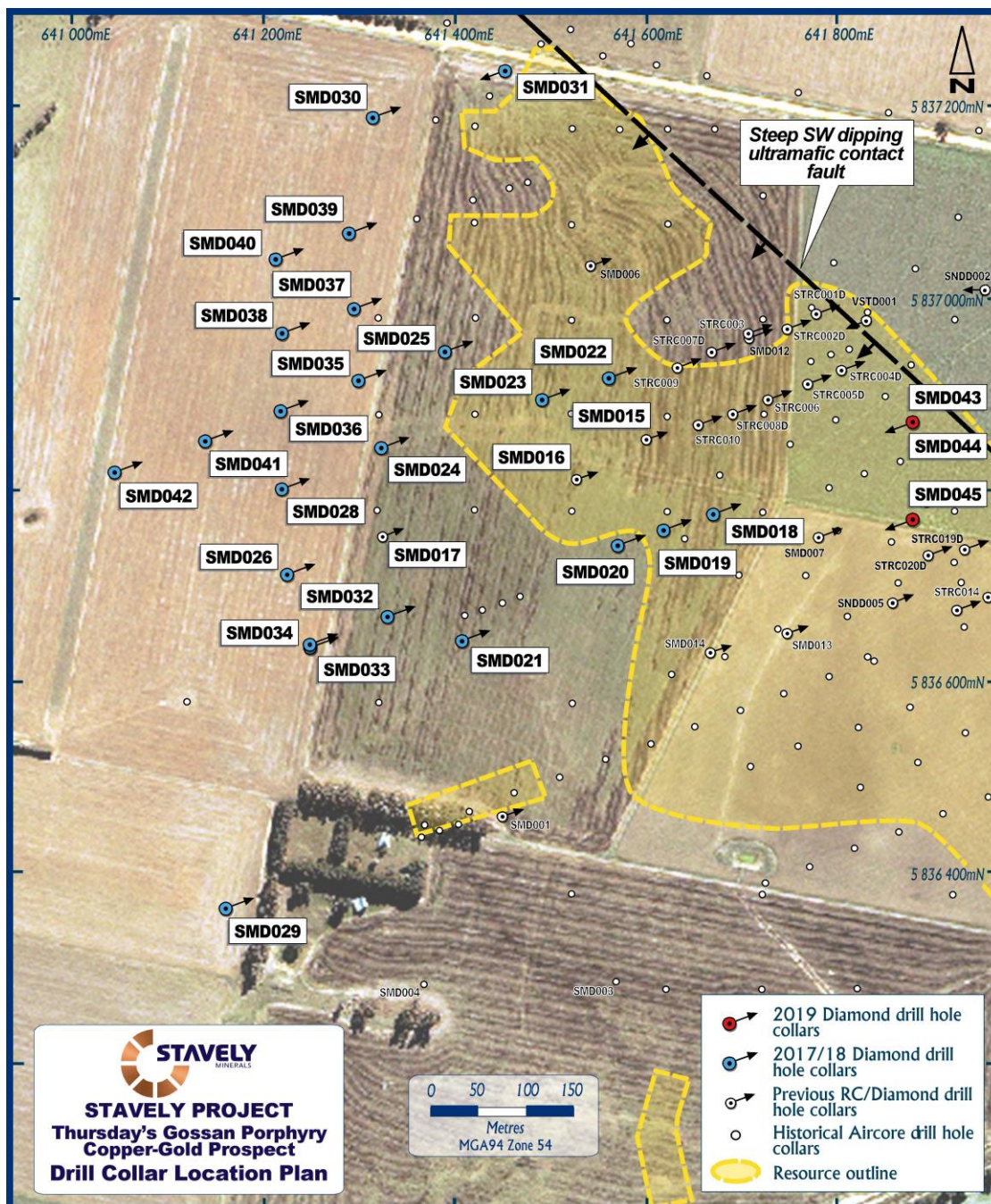


Figure 5. Thursday's Gossan drill hole location plan.

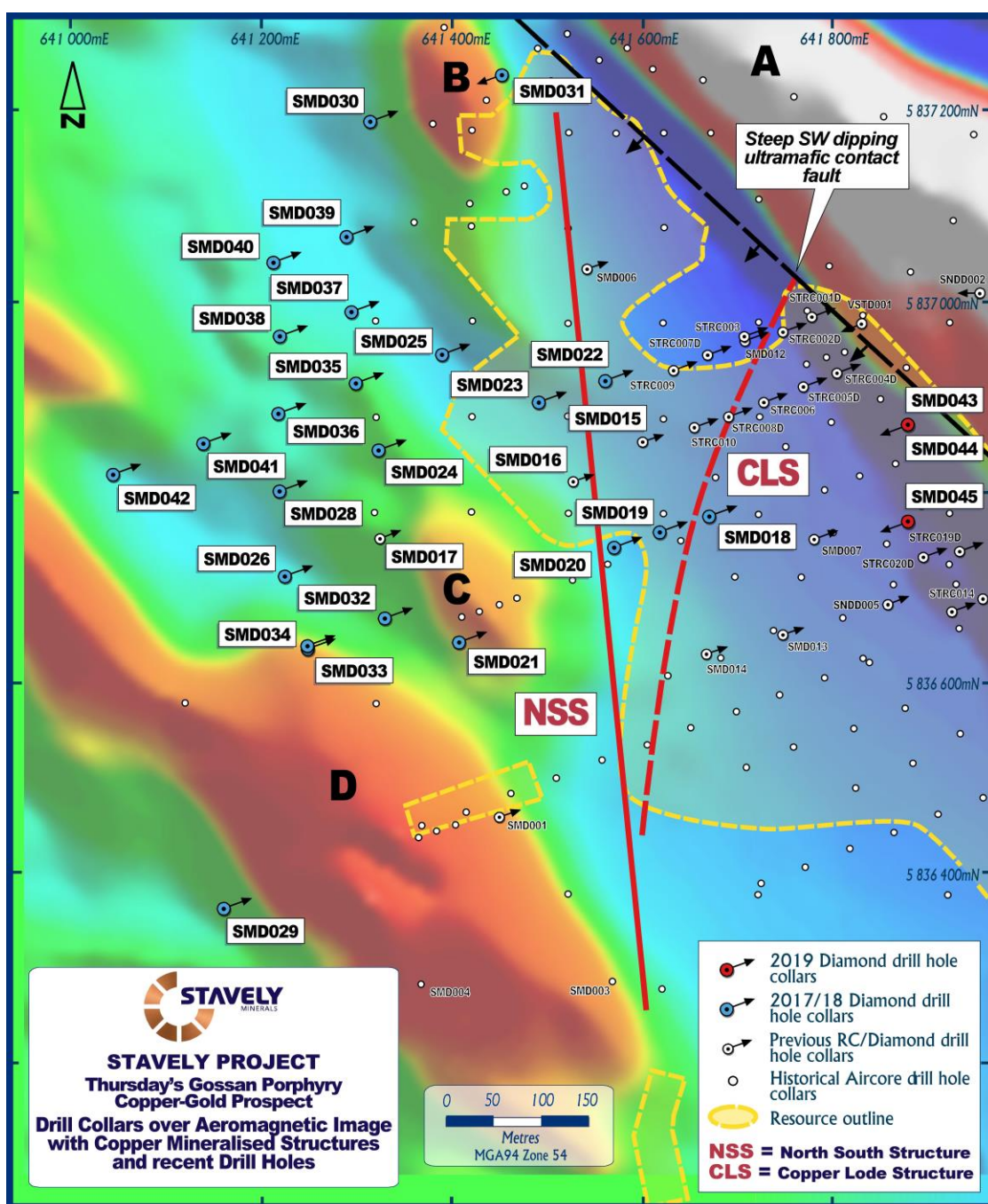


Figure 6. 1VD magnetic image of the area of interest at Thursday's Gossan with drill collars overlaid. Magnetic features of note annotated A to D.

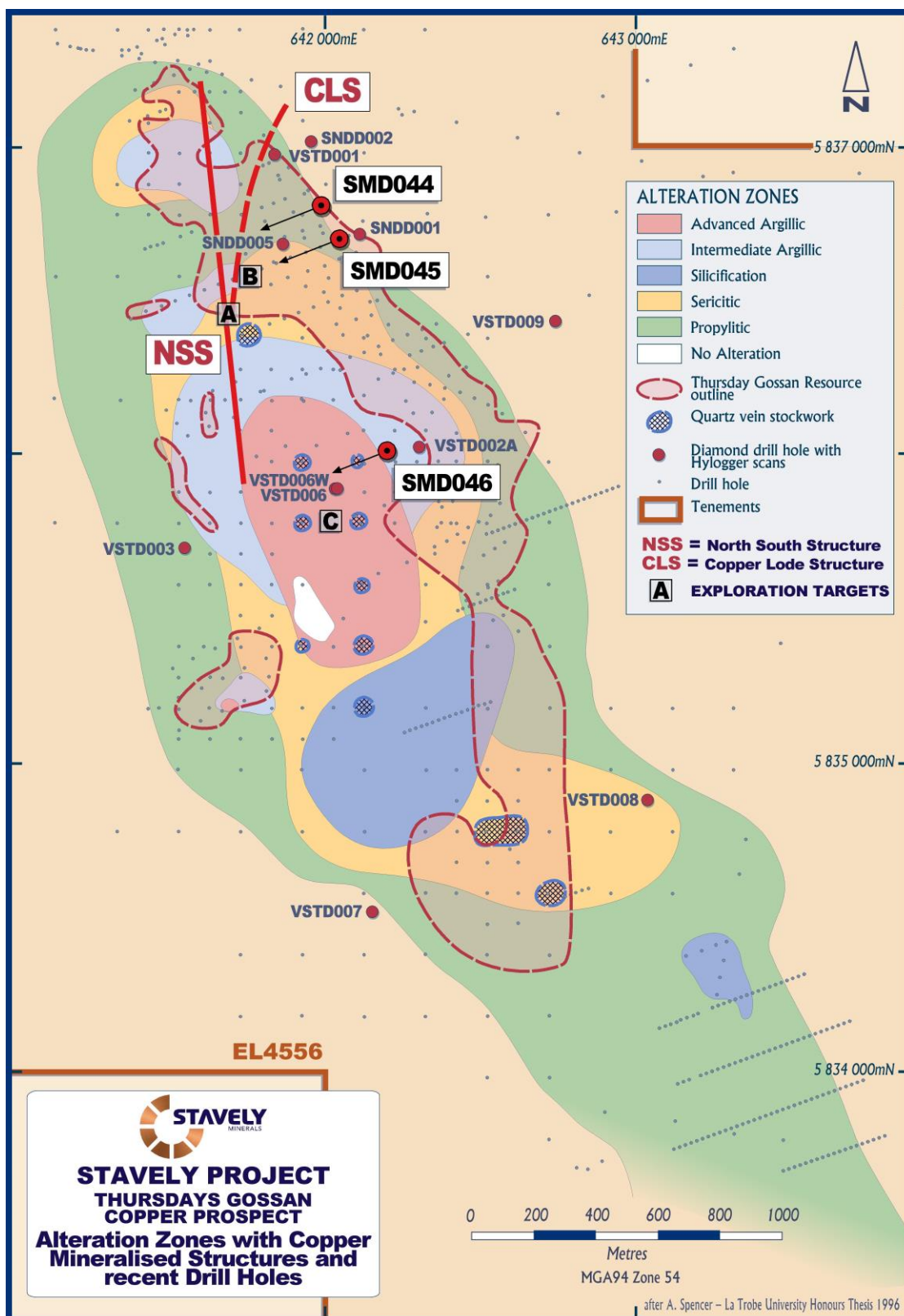


Figure 7. Thursdays Gossan Copper Prospect – Alteration Zones with Copper Mineralised Structures and recent drill holes.

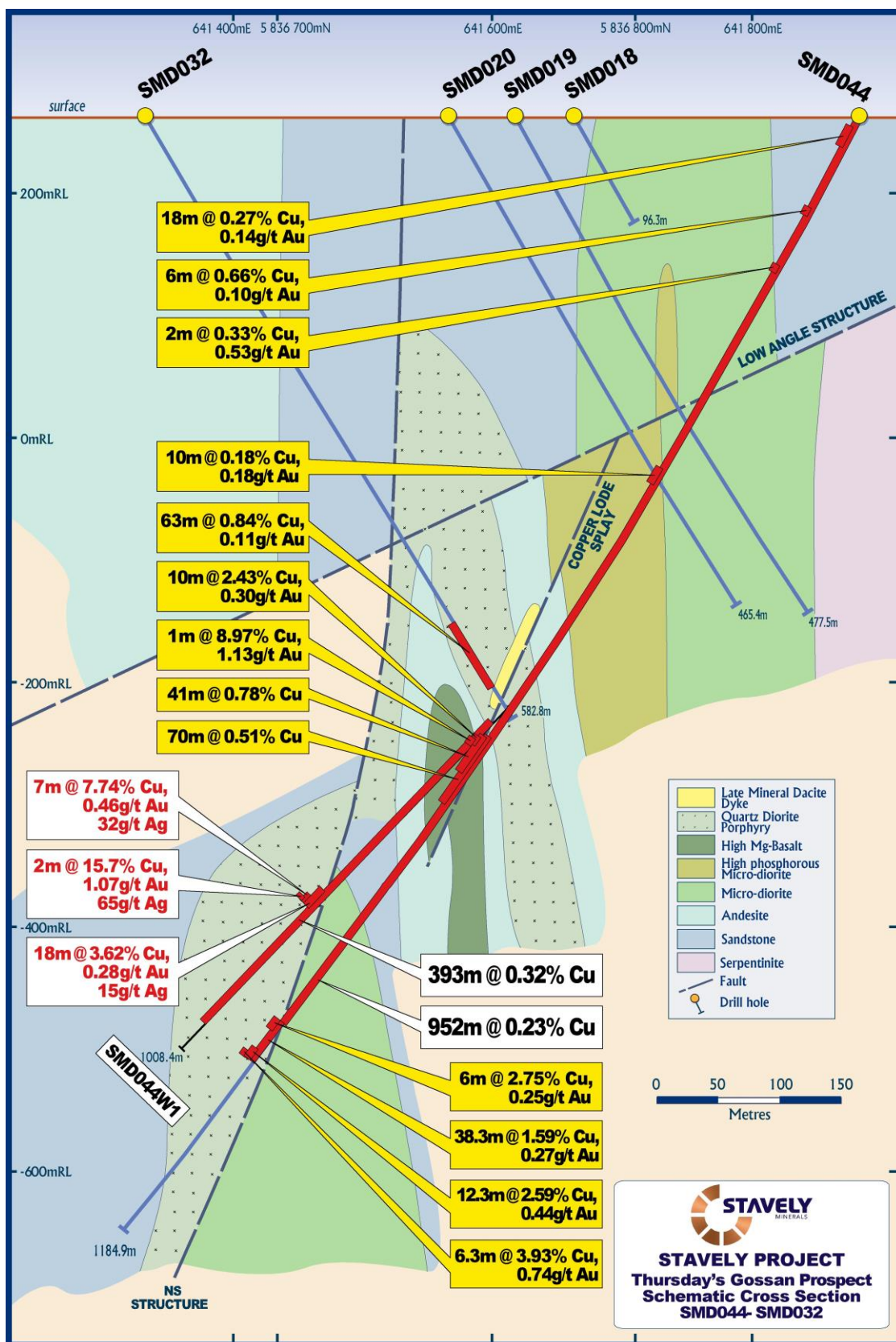
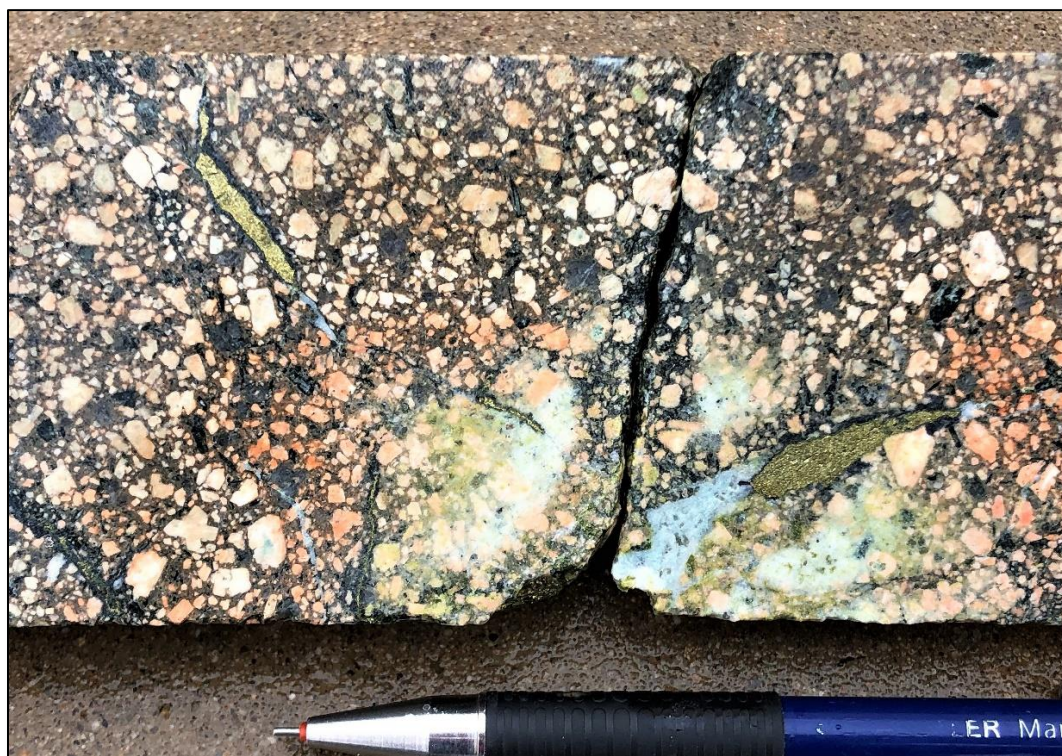


Figure 8. SMD044/ SMD044W1 Cross-section.

## Mount Stavelly Prospect

Results have been received for the two diamond drill holes, MSD001 and MSD002 which were drilled in late 2018 and early 2019 at the Mount Stavelly prospect (Figure 9). MSD001, located on the south western slopes of Mount Stavelly, targeted a coincident copper and arsenic in soil samples anomaly and gravity low. The hole intersected the Fairview Andesite Breccia and a large, high-level dacite porphyry or tonalite intrusion at depth. Weakly anomalous copper results of up to 0.17% Copper were returned from a zone between 374m to 410m where trace to 1% patchy chalcopyrite blebs (with bornite rims) (Photo 4) and chalcopyrite, bornite and magnetite stringer veins, associated with a moderate to strong pervasive hematite+albite alteration assemblage were encountered. Petrology has noted weak to moderate K-spar alteration transitional between propylitic and potassic alteration.

Drill hole MSD002 targeted an area north of Mount Stavelly and to the east of the Fairview mineralised zone. Drilling encountered a shallowly west-dipping sequence of siltstone, sandstone and mudstone in faulted contact with a thick moderately west-dipping unit of andesite-clast breccia and andesite (Fairview Andesite Breccia). No anomalous assay results were returned for MDS002.



**Photo 4. Hematite and K-spar altered dacite porphyry with quartz-chalcopyrite (rimmed by bornite) veins from MSD001 at Mount Stavelly.**

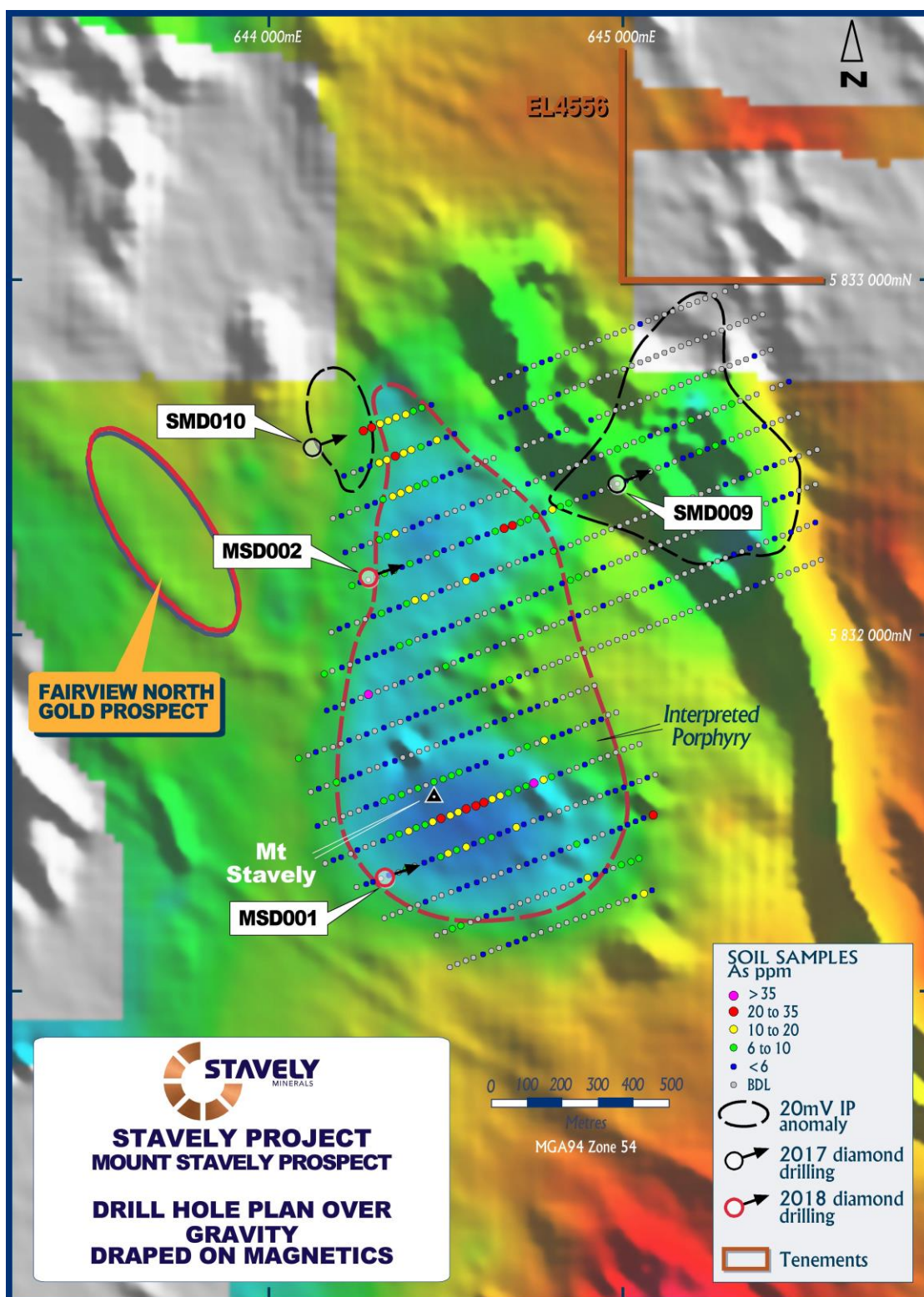


Figure 9. MSD001 and MSD002 drill-hole location plan with grey-scale magnetics overlaid with a colour gravity drape and soil sample arsenic values.

## Black Range Joint Venture Project (EL5425)

During the March Quarter, assay results for diamond hole SMD027, drilled to test a magnetic high along a major north-south structure on the Black Range JV tenement were received. The samples did not return any anomalous gold or base metal results. The drill core from SMD027 was analysed using the Terraspec® Halo. The Terraspec® Halo near infra-red portable spectrometer maps out the alteration mineralogy and near infra-red absorption features related to white mica crystallinity. Spectrometer analyses are particularly effective for identification of hydrated (or hydroxyl bearing) clays typical of advanced argillic through sericitic (phyllitic) and propylitic hydrothermal alteration and therefore highly applicable for alteration zones in porphyry systems. Processing and interpretation of the ASD data is currently in progress.

During the Quarter, the process of getting approvals and access in advance of planned drilling during the next quarter was initiated.

Stavely Minerals currently has two diamond drill rigs on site at the Thursday's Gossan prospect and it is anticipated that drilling of a target in the Black Range JV will be conducted in May/ June 2019 using one of these rigs.

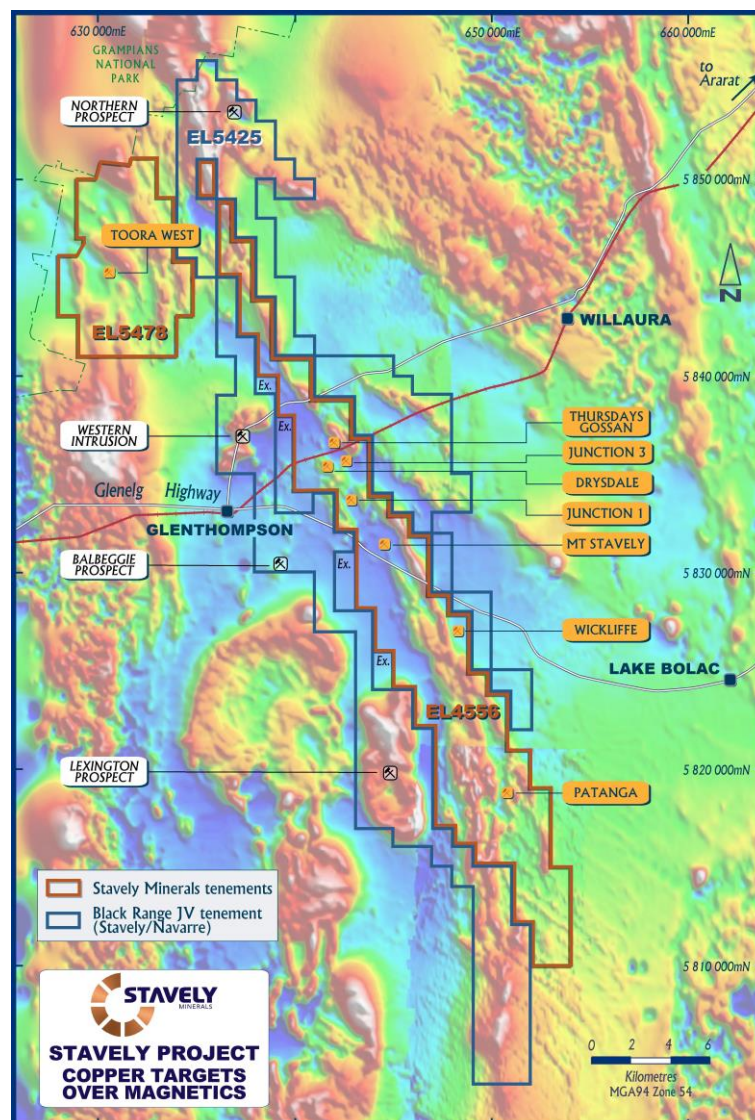


Figure 10. Location of targets reviewed on EL5425.

## Ararat Project (EL4758, EL3019, EL5486, EL6271)

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No exploration was conducted at the Ararat Project during the Quarter.

## Ravenswood Project (EPM26041, EPM26152, EPM26303 & EPM26304)

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During the Quarter, reconnaissance mapping and rock-chipping conducted at the Ravenswood Project focused on the Titov, Smiths and Keans Reward prospects (Figure 11). Subsequent to the Quarter, results were received for the rock chip samples. A float sample from a creek returned very anomalous **14.75g/t gold, 21.6ppm silver, 4.36% lead, >1.00% arsenic, 861ppm copper, 340ppm antimony and 264ppm bismuth**. Follow-up mapping found more quartz and hematite float along the creek. This area is interpreted to be an extension to the ENE-trending quartz veins at Titov. A sample of quartz veins at Titov contained up to **2.03g/t gold, 8.44% copper, 15.45ppm silver, 8,60ppm molybdenum, 2,550ppm lead, 953ppm zinc, 877ppm arsenic, 34.7ppm antimony and 11.1ppm bismuth**. Fractured quartz vein samples from Keans Reward prospect returned **1.4g/t gold and 1.01g/t gold with 24g/t silver, 0.73% copper and 0.43% lead**.

A cultural heritage survey was completed at the Area 8 target in the Dreghorn Project and the Connolly North target in the Ravenswood West Project during the Quarter in advance of the planned drilling.

Subsequent to the Quarter, drilling commenced at the Connolly North target (Figure 12). At Connolly North, quartz veins in low-angle structures similar to those seen in the Sarsfield open pit at the Ravenswood Gold Mine, ~15km away, are observed. The IP survey conducted during the previous quarter returned a +10mV/V chargeability anomaly. Rock chip sampling during the previous quarter in the Connolly North area returned gold results of **14.8 g/t, 12.75 g/t, 2.07 g/t and 1.42 g/t**. The stream sediment samples taken in tributaries to the Connolly Creek and draining the Connolly North prospect area returned anomalous gold values of **1.61 g/t, 1.20 g/t and 1.18 g/t**. Previous rock chip sampling in 2017 returned a **36.6 g/t gold** result from a 5-10cm thick low-angle quartz vein at the Connolly North prospect.

When the drilling is completed at Connolly North the drill rig will move to the Area 8 prospect where previously reported surface rock-chips returned assay results of up to **0.65 g/t gold, 106 g/t silver, 397 ppm arsenic and 837 ppm antimony** from crustiform and colloform quartz veins and quartz breccia in-fill. The quartz textures and geochemical signature are consistent with a low-sulphidation epithermal gold-silver system. At Area 8, the IP survey in 2018 also returned a well constrained resistivity anomaly.

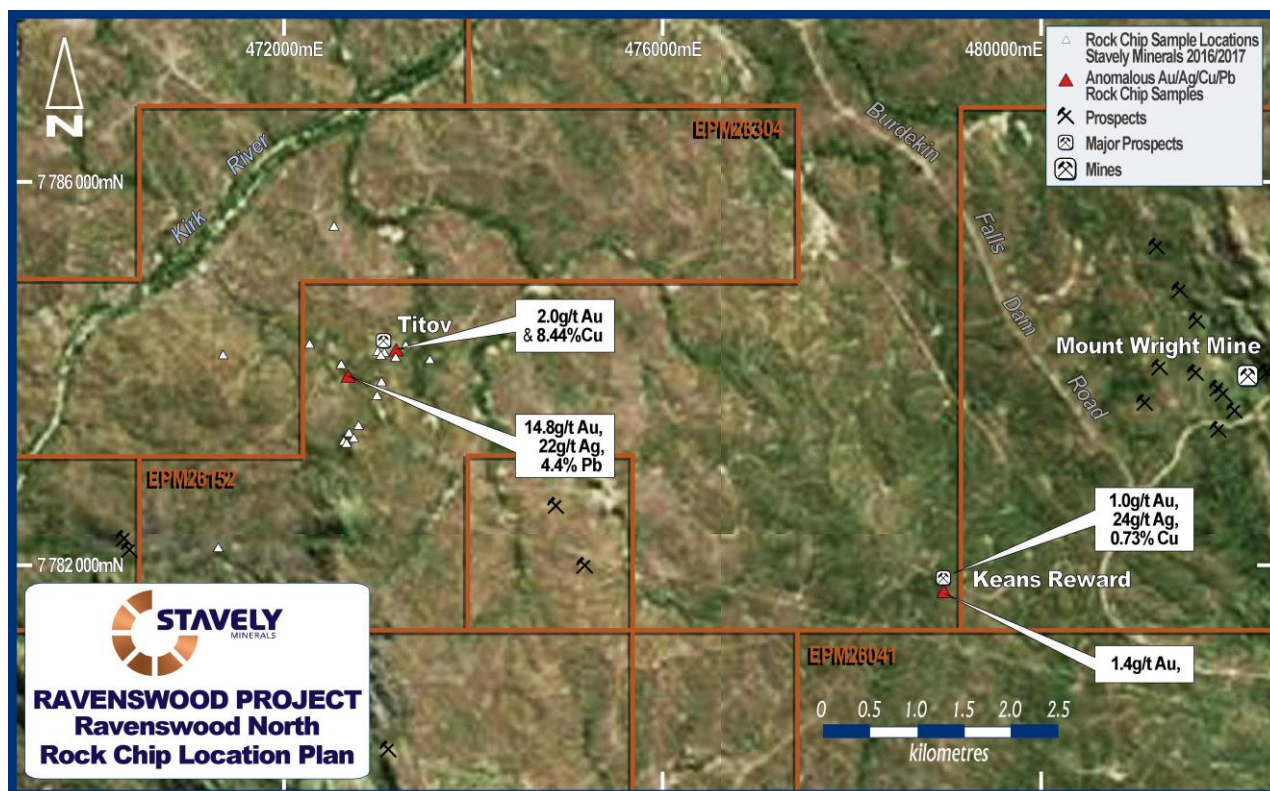


Figure 11. Ravenswood North – Rock chip location plan.

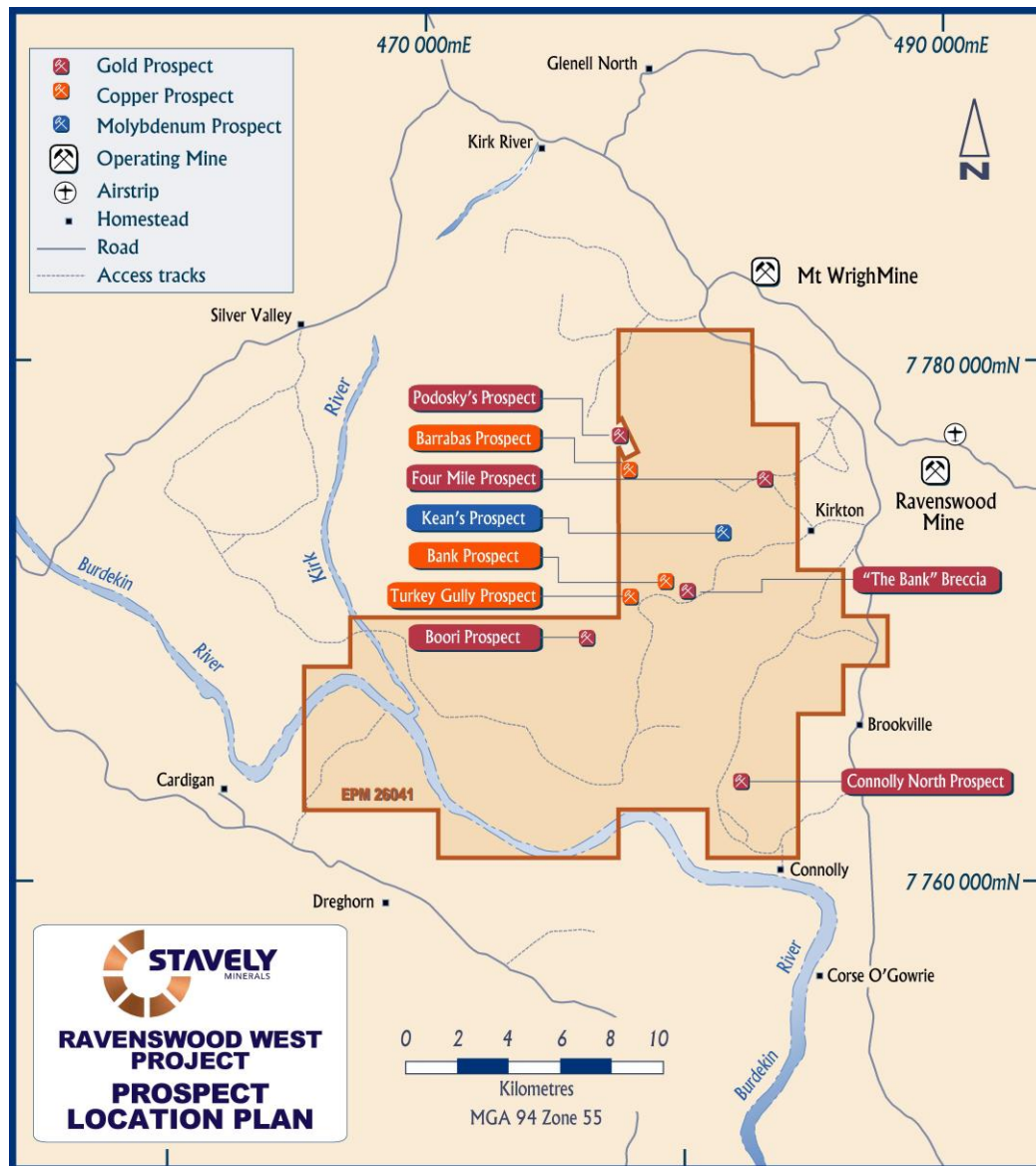


Figure 12. Ravenswood West Project – EPM26041 – Prospect location plan.

## Mathinna Project

In November 2018, Stavelly Tasmania Pty Ltd was granted priority application rights to Exploration Licence 19/2018 and, during the current Quarter, was granted priority application rights to EL4/2019 (ERA1118), which surrounds the Mathinna exploration licence. Both these licences are held in joint venture with Bestlevel Holdings Pty Ltd and cover an area 68 km<sup>2</sup> which includes all of the high-grade Mathinna Goldfield (Figure 3).

Numerous Tasmanian Department of Mines and Geological Survey reports detail the mining and mineralisation of the Mathinna Goldfield, which was particularly prolific prior to the first World War. Official records detail production of 289,000 ounces of gold from the New Golden Gate Mine up to 1932. However, official records almost certainly significantly underestimate actual gold production from the Mathinna district given that estimates did not include alluvial

production and a 1914 Geological Survey of Tasmania report<sup>3</sup> estimated that production to date had been between 300,000 and 320,000 ounces.

Since that time there has been very little modern exploration.

## Planned Exploration

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### **Stavely Project (EL4556)**

During the next quarter, the diamond drilling at Thursday's Gossan will continue to target the the porphyry which is now considered to be located at the intersection of the NSS and the CLS structure and responsible for the high-grade copper lode-style mineralisation.

Drilling of a diamond hole to test Dr Corbett's recommended Target 'C' in the centre of the Victor porphyry target concentric-zoned alteration system will be completed.

### **Black Range Joint Venture (EL5425)**

During the next quarter, it is anticipated that drilling of a gold target will be completed.

### **Yarram Park Project (EL5478)**

During the next quarter, it is anticipated that drilling will be conducted to test a discrete magnetic anomaly in the vicinity of the previous drilling at the Toora West prospect.

### **Ravenswood Project (EPM26041, EPM26152, EPM26303, EPM26304)**

The drilling in north Queensland at the Connolly North target in the Ravenswood West Project and at Area 8 in the Dreghorn Project commenced subsequent to the Quarter and will continue during the June quarter.

## CORPORATE

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Stavely Minerals had a total of \$0.76M cash on hand at the end of the March 2019 Quarter.

Stavely Minerals, through its 100% owned subsidiary Stavely Tasmania Operations Pty Ltd, has agreed to purchase a 100% beneficial interest from BCD Resources NL in the assets of the 350,000tpa capacity Beaconsfield gold processing plant and associated infrastructure, property, rights, leases and permits in a transaction summarised as:

- Payment of a \$250,000 deposit on execution, to be held in trust pending completion (which was paid in March 2019);
- Payment of the balance of \$1,750,000 within 90-days of execution;
- On completion, all assets associated with the Beaconsfield gold processing plant to be transferred to Stavely Tasmania Operations Pty Ltd ("Stavely Tasmania Ops");
- Also on completion, Stavely Tasmania Ops must replace an environmental bond which, on transfer of the mining lease, will be set at \$500,000;

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<sup>3</sup> Tasmania Department of Mines – Report No. 5. *On Some Gold-mining at Mathinna*, W. H. Twelvetreets, Government Geologist.

- Conditions precedent include:
  - Stavely Tasmania Ops obtaining the prior consent of the Tasmanian Minister for State Growth for the transfer of the mining leases and permits; and
  - Stavely Minerals completing a capital raising sufficient to fund the acquisition.

The proposed acquisition complements the Company's previously announced high-grade gold exploration strategy in Tasmania, following its success in securing, through its 100%-owned subsidiary Stavely Tasmania Pty Ltd, the priority application right for exploration licences covering the prolific high-grade Mathinna Goldfield. Acquisition of an established processing facility located 130km by road from Stavely's high-grade Mathinna Goldfield creates strong platform for an integrated Tasmania gold business.

Como Engineers were commissioned to complete a condition and suitability report which estimates ( $\pm 30\%$ ) that refurbishing and upgrading the plant to process high-grade free-milling gold ore may cost \$9.42M, inclusive of a \$1.54M contingency.

Subsequent to the Quarter, Stavely announced a capital raising of up to \$4.2 million to fast-track exploration of its portfolio of gold and porphyry copper-gold projects in western Victoria, Tasmania and Queensland and to complete the acquisition of the Beaconsfield gold processing facility in Tasmania.

The capital raising is underpinned by a Share Placement of approximately 12.3 million shares at 26 cents per share to sophisticated and institutional investors to raise \$3.2 million before costs. The Placement was well subscribed. Morgans Corporate Limited acted as Lead Manager to the Placement.

Concurrently with the Share Placement, Stavely Minerals has issued approximately 7.7 million shares at 26 cents to Titeline Drilling as advance payment for \$2 million of drilling services to be completed in the next 12 months. The shares issued to Titeline Drilling are held in voluntary escrow and will be released progressively as they are offset against a proportion of monthly drilling invoices.

In addition, Stavely Minerals is undertaking a Share Purchase Plan (SPP), also at 26 cents, to raise up to a further \$1 million to allow existing shareholders to participate in the capital raising on the same terms as the Share Placement. Eligible Shareholders may acquire up to \$15,000 worth of Shares under the SPP, free of brokerage and commission, at a price of 26 cents per Share. This is the same price as the offer price under the Placement.

The funds raised through the combined Share Placement and SPP will primarily be used to progress drilling programs across the Company's key projects in western Victoria, Tasmania and Queensland, to complete the acquisition of the Beaconsfield gold processing facility (as announced on 22 March 2019) and for working capital purposes.

Stavely was successful in its application to participate in the Junior Mineral Exploration Incentive Scheme (JMEI) for the 2019 year and as a result may allocate up to \$1,576,603 in exploration tax credits to Australian resident shareholders who participate in the Placement, Share Purchase Plan and other capital raisings undertaken by Stavely during 2018/2019.

These credits can be used as a refundable tax offset (or franking credit for corporate shareholders) in shareholders 2019 tax return. The precise amount of the credit per share will

be determined after 30 June 2019 and will be determined based on amounts raised under the Placement, Share Purchase Plan and other new shares issued during the year to 30 June 2019, together with the amount of eligible exploration for the year, and the tax result for Stavely.

The Company presented at the following investor and geological conferences during the Quarter:

14 February 2019 - Read Corporate – Resources Rising Stars Summer Series 2019, Melbourne

20 February 2019 - RIU Explorer's Conference, Fremantle

## ANNOUNCEMENTS

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Investors are directed to the following announcements (available at [www.stavely.com.au](http://www.stavely.com.au)) made by Stavely Minerals during the March 2019 Quarter and subsequently announced for full details of the information summarised in the Quarterly Report.

- 18/01/2019 - More Wide Copper Intercepts at Thursday's Gossan
- 11/02/2019 - Significant Zone of Bornite at Thursday's Gossan
- 18/02/2019 - Second Thick Zone of Bornite at Thursday's Gossan
- 12/03/2019 - Largest and Highest Grade Intervals to date at Thursday's Gossan
- 22/03/2019 - Purchase of Beaconsfield Gold Plant
- 26/03/2019 - Multiple Zones of Visual Copper Mineralisation at Thursday's Gossan
- 11/04/2019 - \$4.2M Capital Raising to Fast-Track Multi-Pronged Exploration Push and Complete Beaconsfield Gold Acquisition
- 23/04/2019 - Another Major Intercept at Thursday's Gossan

## Tenement Portfolio - Victoria

The tenements held by Stavely Minerals as at 31 March 2019 are as follows:

Area Name	Tenement	Grant Date/ (Application Date)	Size (Km <sup>2</sup> )
Mt Ararat	EL 3019	21 December 1989	23
Ararat	EL 4758	29 January 2004	12
Stavely	EL 4556	5 April 2001	139
Black Range JV	EL 5425	18 December 2012	201
Yarram Park	EL 5478	26 July 2013	53
Ararat	EL 5486	10 July 2014	1
Ararat	EL 6271	21 July 2016	4
Ararat	RLA 2020	(12 June 2014)	28
Stavely	RLA 2017	(20 May 2014)	139

During the Quarter, the Company received notification that the Black Range JV tenement EL5425 had been renewed for a further 5 years to 17/12/2022 and that Yarram Park tenement EL5478 had been renewed for a further 5 years to 25/07/2023.

## Tenement Portfolio - Queensland

The tenements held by Ukalunda Pty Ltd as at 31 March 2019 are as follows:

Area Name	Tenement	Grant Date/ (Application Date)	Size (Km <sup>2</sup> )
Ravenswood West	EPM26041	24 May 2016	241
Ravenswood North	EPM26152	15 September 2016	48
Dreghorn	EPM26303	23 March 2017	49
Kirk North	EPM26304	23 March 2017	29

## Tenement Portfolio - Tasmania

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The tenements held by Stavelly Minerals as at 31 March 2019 are as follows:

Area Name	Tenement	Grant Date/ (Application Date)	Size (Km <sup>2</sup> )
Mathinna	EL19/2018	(18 December 2018)	2.38
Mathinna	EL4/2019 (ERA1118)	(22 March 2019)	68



**Chris Cairns**  
**Managing Director**

*The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Chris Cairns, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Cairns is a full-time employee of the Company. Mr Cairns is the Managing Director of Stavelly Minerals Limited, is a substantial shareholder of the Company and is an option holder of the Company. Mr Cairns has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Cairns consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

Thursday's Gossan Prospect – Collar Table

MGA 94 zone 54							
Hole id	Hole Type	East	North	Dip/ Azimuth	RL (m)	Total Depth (m)	Comments
SMD017	DD	641325	5836750	-60/070	262	793.6	
SMD018	DD	641670	5836772	-60/070	264	96.3	Hole failed did not reach target depth
SMD019	DD	641620	5836755	-60/070	264	477.5	
SMD020	DD	641570	5836740	-60/070	264	465.4	
SMD021	DD	641410	5836640	-60/070	264	534.9	
SMD022	DD	641560	5836915	-60/070	264	406.2	
SMD023	DD	641490	5836895	-60/070	264	330.6	
SMD024	DD	641315	5836835	-60/070	264	509.6	
SMD025	DD	641390	5836940	-60/070	264	399.2	
SMD026	DD	641225	5836710	-60/070	264	796	
SMD028	DD	641220	5836800	-60/070	264	777.3	
SMD029/ SMD029W1	DD	641164	5836363	-60/070	264	384/ 837.5	Hole wedged due to drilling problems in original hole
SMD030	DD	641315	5837185	-60/070	264	109.4	Hole failed did not reach target depth
SMD031	DD	641455	5837235	-60/250	264	409.5	Redrill of SMD030 from opposite direction
SMD032	DD	641330	5836665	-60/070	264	582.8	
SMD033	DD	641250	5836635	-60/070	264	121.2	Drilling issues resulted in hole being abandoned
SMD034	DD	641250	5836635	-60/070	264	150	Redrill of SMD033, hole failed did not reach target depth
SMD035	DD	641300	5836910	-60/070	264	615.3	
SMD036	DD	641220	5836880	-60/070	264	654.2	
SMD037	DD	641295	5836985	-60/070	264	485.9	
SMD038	DD	641220	5836960	-60/070	264	573.5	
SMD039	DD	641290	5837065	-60/070	264	471.4	
SMD040	DD	641215	5837040	-60/070	264	570.4	
SMD041	DD	641140	5836850	-60/073	264	850	
SMD042	DD	641044	5836815	-60/070	264	1001.5	
SMD043	DD	641880	5836870	-60/250	264	249.1	Was terminated due to hole deviating from target
SMD044	DD	641880	5836870	-63/245	264	1189.4	
SMD044W1	DD	641880	5836870	-63/245	264	1008.4	Wedged off SMD044 at 536.8m
SMD045	DD	641930	5836765	-63/236	264	In progress	
SMD046	DD	642197	5836010	-63/234.5	262	636.9	

Thursday's Gossan Prospect – Significant Intercept Table

Hole id	Hole Type	MGA 94 zone 54					Intercept							
		East	North	Dip/ Azimuth	RL (m)	Total Depth (m)	From (m)	To (m)	Width (m)	Cu (%)	Au (g/t)	Ag (g/t)	Pb %	Zn %
SMD013	DD	641745	5836650	-60/070	264	573.9	26	309	283	0.16				
						Incl.	27	61	34	0.31				
						and	178	184	6	0.50	0.14	6.53		
						and	278	287	9	0.34	0.10	2.56		
							412	413	1			98	8.44	
SMD014	DD	641665	5836630	-60/070	264	738.9	32	61	28	0.28				
						Incl.	314	316	2	0.21	2.61			
							315	316	1	0.24	5.06			
							357	367	6	0.38		5.38		
							388	392	4	0.39	0.34	8.83		
SMD015	DD	641600	5836850	-60/070	265	448.1	196	200	4	5.85	0.27	34.4		
						Incl.	196	197	1	10.75	0.60	49.6		
							204	205	1	1.28	0.27	11.4		
							248	257	9	2.62	0.28	10.1		
						Incl.	253	257	4	5.41	0.35	19.9		
						Incl.	254	255	1	14.75	0.33	57.2		
SMD016	DD	641525	5836810	-60/080	264	467.6	33	58	25	0.28				
							307	399	92	0.34	0.12	4.4		
						incl.	333	337	4	1.83	0.23	7.5		
						and	343	373	30	0.50	0.22	7.3		
						and	367	369	2	1.75	0.54	37		
SMD017	DD	641325	5836750	-60/070	262	793.6	21	58	37	0.17				
						incl	52	55	3		0.75			
							566	573	7	0.26	0.16	7.57		
							653	655	2		2.80	15.3	2.06	2.06
						Incl.	654	655	1		5.22	16.3	2.13	2.13
SMD018	DD	641670	5836772	-60/070	264	96.3	No Significant Intercepts							
SMD019	DD	641620	5836755	-60/070	264	477.5	245	247	2	1.58	0.34	16		
						Incl.	245	246	1	2.66	0.53	29		
							278	279	1	0.53	0.51	12		
SMD020	DD	641570	5836740	-60/07	264	465.4	59	60	1	1.14		7		
							180	181	1	0.22	0.45			
							222	223	1	0.48	0.28			
							259	261	2	0.87				
							302	312	10	0.34	0.10			
							324	325	1	0.86	0.31	6		
							337	350	13	0.33	0.14	6		
SMD021	DD	641410	5836640	-60/070	264	534.9	418	444	26	0.25				
						Incl.	418	419	1	1.82	0.54	11		
							459	461	2	0.70	0.33	4		

**Thursday's Gossan Prospect – Significant Intercept Table**

Hole id	Hole Type	MGA 94 zone 54					Intercept							
		East	North	Dip/ Azimuth	RL (m)	Total Depth (m)	From (m)	To (m)	Width (m)	Cu (%)	Au (g/t)	Ag (g/t)	Pb %	Zn %
SMD022	DD	641560	5836915	-60/070	264	406.2	165	166	1	0.26	0.22			
							173	174	1	0.20	0.26	6.5		
							177	178	1	0.26	0.19	6.1		
							233	255	22	0.13				
							253	255	2	0.21	0.14			
							293	355	62	0.17				
							293	294	1	0.77	0.36	14.5		
							300	301	1	0.36	0.48	18.8		
							311	312	1	0.29	0.23	7.5		
							314	315	1	0.46	0.17			
							344	355	11	0.54	0.10	22.5		
							344	345	1	1.94	0.18	77.4		
							350	351	1	1.75	0.44	183		
SMD023	DD	641490	5836895	-60/070	264	330.6	29	90	61	0.23				
							19	43	14	0.36				
							132	140	8	0.40	0.24	112		
							139	140	1	0.84	0.81	207		
							225	226	1	0.33	0.12			
SMD024	DD	641315	5836835	-60/070	264	509.6	190	193	3	1.24	0.35	13		2.45
							372	442	70	0.22				
							372	375	3	1.01	0.16	8		
							479	492	13	0.38				
SMD025	DD	641390	5836940	-60/070	264	399.2	173	208	35	0.16				
							288	334	46	0.14				
SMD026	DD	641225	5836710	-60/070	264	796	228	229	1		5.68	1.7		
							243	245	1		0.56			
							355	383	28	0.21	0.27	1.60		
							363	369	6	0.25	0.61	1.65		
							372	381	9	0.35	0.11	2.52		
							457	458	1	1.09		4.6		
							575	581	6	0.60	0.30	4.53		
							628	629	1	2.32	0.80	16.4		
SMD028	DD	641220	5836800	-60/070	264	777.3	541	542	1	1.20	0.38			
							577	650	73	0.32	0.13	3.0		
							577	583	6	1.12	0.44	12		
							620	624	4	0.98	0.30	7		
							638	650	12	0.51	0.32	5		
							660	662	2	0.26	0.24	35		
							730	731	1		18.8	20		1.82

Thursday's Gossan Prospect – Significant Intercept Table

		MGA 94 zone 54					Intercept							
Hole id	Hole Type	East	North	Dip/ Azimuth	RL (m)	Total Depth (m)	From (m)	To (m)	Width (m)	Cu (%)	Au (g/t)	Ag (g/t)	Pb %	Zn %
SMD029W1	DD	641164	5836363	-60/070	264	837.5	447	448	1	0.63	8			
						Incl. and Incl. Incl.	522	837.5	313.5**	0.11				
							690	694	4	0.44	0.1	4		
							745	821	76	0.16				
							757	758	1	0.51	0.12			
							785	790	5	0.34				
SMD030	DD	641315	5837185	-60/070	264	109.4	12	48	36	0.33				
						Incl.	18	26	8	1.12		10		
SMD031	DD	641455	5837235	-60/250	264	409.5	109	125	13	0.18				
						Incl.	164	225	61	0.16				
							206	207	1	2.37	0.52	29		
							339	340	1	1.48	0.16	25		
SMD032	DD	641330	5836665	-60/070	264	582.8	517	581	63*	0.84	0.11			
						Incl. Incl. and	538	544	6	6.73	0.84	15		
							542	543	1	22.8	0.91	48		
							551	553	2	2.43	0.28	5		
SMD033	DD	641250	5836635	-60/070	264	121.2	Not sampled – redrilled as SMD034							
SMD034	DD	641250	5836635	-60/070	264	150	31	54	23	0.30				
						Incl.	40	42	2	2.0				
SMD035	DD	641300	5836910	-60/070	264	615.3	20	26	6	0.17	0.36			
						Incl.  Incl.	20	21	1	0.22	1.8			
							363	402	39	0.31				
							364	369	5	1.10	0.15			
SMD036	DD	641220	5836880	-60/070	264	654.2	205	207	2	0.19	0.34			
						Incl.	551	564	13	0.45				
							552	554	2	1.73	0.20			
SMD037	DD	641295	5836985	-60/070	264	485.9	370	410	40	0.17				
SMD038	DD	641220	5836960	-60/070	264	573.5	237	240	3	0.50				
SMD039	DD	641290	5837065	-60/070	264	471.4	185	203	18	0.24				
SMD040	DD	641215	5837040	-60/070	264	570.4	No Significant Intercepts							
SMD041	DD	641140	5836850	-60/073	264	850	621	653	32	0.16				
						680	694	14	0.10	0.12				
SMD042	DD	641044	5836815	-60/070	264	1001.5	824	827	3	0.52				
						Incl.	825	826	1	0.84	0.17			
SMD043	DD	641880	5836870	-60/250	264	249.1	Not sampled – redrilled as SMD034							
SMD044	DD	641880	5836870	-63/245	264	1189.4	11	963	952***	0.23				
						Incl. and incl. Incl. and incl. and incl. and incl. and incl.	6	24	18	0.27	0.14			
							55	91	36	0.41				
							55	60	5	0.82		8		
							81	87	6	0.66	0.10	6		
							137	139	2	0.33	0.53	17		
							276	281	5		0.40	2		0.14
							324	334	10	0.18	0.18	6		

Thursday's Gossan Prospect – Significant Intercept Table														
Hole id	Hole Type	MGA 94 zone 54					Intercept							
		East	North	Dip/ Azimuth	RL (m)	Total Depth (m)	From (m)	To (m)	Width (m)	Cu (%)	Au (g/t)	Ag (g/t)	Pb %	Zn %
						and incl.	349	351	2	0.38	0.49	18		
						and incl.	371	379	8	0.39	0.16	11		
						and incl.	580	650	70	0.51				
						Incl.	582	623	41	0.78				
						Incl.	583	593	10	2.43	0.30	11		
						Incl.	585	586	1	8.97	1.13	36		
						and incl.	743	750	7	0.20	0.22	5		
						and incl.	789	799	10	0.45	0.30	11		
						and incl.	890	928.3	38.3	1.59	0.27	8		
						and incl.	891	897	6	2.75	0.25	7		
						and incl.	916	928.3	12.3	2.59	0.44	18		
						Incl.	922	928.3	6.3	3.93	0.67	27		
							1001	1025	24	0.15				
SMD044W1	DD	641880	5836870	-63/245	264	1008.4	546	939	393***	0.32				
						incl.	699	866	167	0.52				
							782	783	1	4.66		3		
						incl.	835	836	1	3.46	0.50	22		
						incl.	848	866	18	3.62	0.28	15		
						and incl.	858	865	7	7.74	0.46	32		
						and incl.	858	860	2	15.7	1.07	65		

\*1m core loss from 566m to 567m (SMD032)

\*\*2m core loss from 561m to 563m (SMD029W1)

\*\*\*Includes interval of up to 25m of unmineralized (<0.1% Cu) material, including late mineral dykes (SMD044)